

FIRST SOCIALIST WITNESSES PUT ON STAND

TO NIGHT'S WEATHER—Cloudy, cold.



The Evening World.

"Circulation Books Open to All."

"Circulation Books Open to All."

TO-MORROW'S WEATHER—Cloudy, cold.



VOL. LX. NO. 21,336—DAILY.

Copyright, 1920, by The Press Publishing Co. (The New York World).

NEW YORK, THURSDAY, JANUARY 22, 1920.

Entered as Second-Class Matter Post Office, New York, N. Y.

24 PAGES.

PRICE TWO CENTS.

INTERBOROUGH SURPLUS PUT AT \$12,000,000

I. R. T. LOSSES IN OPERATION IN WAR PUT AT \$8,000,000; STOCKS AND BONDS "VELVET"

Inquiry Discloses Surplus Is Invested in New York and Queens Co.

SUBWAY COST GIVEN

Mayor Hylan Contends Construction Price Should Have Been Paid For Long Ago.

In cross examination of Edward J. J. Gaynor, auditor of the Interborough, at to-day's inquiry by the Estimate Board of the city traction situation, Mayor Hylan contended that the Interborough's own figures prove its cost of subway construction has long ago been paid for and that its \$35,000,000 of stock and \$10,000,000 of bonds is therefore "pure velvet" and nothing more or less than water.

Corporation Counsel Burr obtained the admission from Auditor Gaynor that despite its plan for an 8-cent fare on the grounds of poverty, the Interborough now has a surplus of \$10,000,000 or \$12,000,000 which is invested in the New York and Queens Company and that it would have had \$18,000,000 to-day had there not been a loss in "operation during the war" of \$5,000,000.

Gaynor admitted that on a capital stock of \$35,000,000 the Interborough has paid \$6,250,000 in dividends from June 30, 1914, to date. He also admitted that \$5,000,000 has been turned over to the Interborough from subway fare revenues.

"If municipal ownership had been instituted when the subways were opened," declared Mayor Hylan, "the city would have greatly profited. I consider the admissions of the Interborough the greatest argument ever advanced in this city in favor of municipal ownership."

Mayor Hylan asked Gaynor if it wasn't true that since the Interborough took over the Manhattan Railway Company in 1913 it had paid over to that company \$35,000,000.

"I wouldn't put it that way," was the answer. He finally admitted that interest and dividends amounted to about \$25,000,000.

"What did No. 1 subway cost?" asked the Mayor.

"It cost the city \$45,000,000 for construction and the Interborough about \$13,000,000 for equipment," replied Gaynor.

The Mayor then learned from the witness that the outstanding bonds and notes of the Interborough amount to \$210,000,000. There is 5 per cent. interest on the bonds and 7 per cent. on the notes.

Mayor Hylan tried to get the witness to admit that \$25,000,000 of stock and \$10,000,000 of bonds and notes is based purely and simply on the fact that the Interborough holds a valuable subway lease. Mr. Gaynor admitted that this was so "to some extent."

"In other words," said the Mayor, "the cost of operation and the return on a large part of the stock of the Manhattan Railway Company and the bonds and cost of construction of the subway are all paid for, are they not?" In reality these enormous sums of stocks and bonds are all water, pure velvet, are they not?

Auditor Gaynor was silent.

I. R. T. OFFICIALS ALSO SERVED ON QUEENS LINE BOARE.

Interborough Advanced \$5,000,000 of Its Surplus When the Road Was Insolvent.

ACCORDING to the Corporation Directory for 1918-1919 the officers of the New York and Queens County Railway were in that year: William O. Wood, President; Horace M. Fisher, Secretary; John H. Campbell, Treasurer, and August Belmont, William O. Wood, E. J. Berwind, Frank Hedley, D. W. Ross, Theodore P. Shonts, W. Leon Pepperman, Charles E. Dunlap, H. H. Vreeland and Cornelius Vanderbilt, directors, and the office was at No. 165 Broadway.

It was to this company that the Interborough advanced \$5,000,000 of its surplus when the road was insolvent.

All of the above named officers of the New York and Queens County Railway except Messrs. Wood, Hedley, Ross, Dunlap and Vreeland were officers of the Interborough Rapid Transit Company at the time. The Interborough had nine directors who were not officers of the New York and Queens County.

NEW 'CAUSE' FOUND FOR THE ILLNESS OF PRESIDENT WILSON

French Newspaper Says a Mysterious Poison Was Administered by Balkan Blackhand.

PARIS, Jan. 22.—The newspaper L'Eclair of Nice has advanced an entirely new "cause" of President Wilson's illness.

It says a mysterious poison was administered to the President by a Balkan blackhand last June.

Similar attempts made against Premier Nitti of Italy and Mr. Trumbach, head of the Yugoslav peace delegation, failed, the newspaper said.

OIL FOR GAS HERE TWICE BOSTON PRICE

New England Company Pays Three Cents and Consolidated Six, Says Witness.

At the 50-Cent Gas Hearing before Special Master Abraham S. Gilbert today, Dana D. Burman, Vice President and chief engineer of the Boston Consolidated Gas Company, was called to testify as to the price paid by his company for gas oil for the last five years.

He declared the Boston company paid three cents as against six cents which the Consolidated Gas Company of New York has been paying the Standard Oil Company. The character of the oil, the witness said, was about the same.

State Senator John J. Boylan was called as an expert on realty values to testify as to the assessment and valuation of property purchased by the Consolidated Company.

Selling Better Than Ever
1920 World Almanac
Full of Interesting Facts That Are Needed Almost Constantly
35c on stands—By mail 50c
The Standard American Annual
Published by THE NEW YORK WORLD

SOME DRUGGISTS BOOZE PROFITEERS, CHARGING \$6 A PINT

Prosecutions Threatened as Canvass Reveals Exorbitant Prices in Brooklyn.

PRESCRIPTIONS FILLED.

Ingredients Cost Only Fifty Cents a Gallon, Says U. S. Attorney.

Profiteering druggists who avail themselves of the opportunity given them by the Prohibition Law to charge their patrons an exorbitant price for whiskey have come under the eyes of United States Attorney Leroy W. Ross of Brooklyn, and it is likely that prosecutions will follow.

Mr. Ross said complaint had been made that some druggists were charging \$6 a pint for whiskey on a regular doctor's prescription, filled out in duplicate as required by law.

"I am looking into the matter," said Mr. Ross. "It strikes me that \$6 and \$8 a pint for an article the ingredients of which cost less than 50 cents a gallon is an unconscionable price, and if there is any way to stop it I will apply the remedy."

"It is possible that a druggist might be prosecuted under the Lever act, which forbids any one overcharging for necessities. This law has been considered in relation to food and clothing, but in the case of a person who has reached a climax in a case of pneumonia, or some other disease, liquor becomes of greater necessity for the time being than either food or clothes. Moreover, charging such an exorbitant price only encourages the poorer people to buy liquor surreptitiously, and everybody ought to know by this time the kind of stuff that is for sale."

An Evening World reporter made inquiries of a number of druggists in all sections of Brooklyn and ascertained that Mr. Ross's informant had not exaggerated the price charged.

Druggists in Flatbush, Williamsburg and Coney Island insisted that the prescription should be in duplicate and said their price was \$5 a pint. One druggist in the Bedford district said \$6 was his price. Of all the druggists who were queried one, found in Bensonhurst, offered to fill a prescription with 100 proof whiskey at \$4 a pint, and a druggist close to the old border line between East New York and Woodhaven declared he would supply a fine grade, more than 100 proof, at \$2.25.

Men formerly in the liquor business declared there was no excuse for charging such exorbitant prices. An Evening World reporter talked to one who yesterday sold his bonded warehouse certificates for 35 barrels of high grade whiskey of well known brands and more than 100 proof at \$2.50 a gallon. The stuff is in warehouses in this city and vicinity, and the buyer, a well-known wholesale drug firm, will have to pay an internal revenue tax. This, in the case of liquor to be dispensed as medicine, is \$2.20 a gallon. The cost of transfer from the warehouse to his establishment will be a few cents a gallon more, but the total cost to the buyer will not exceed \$5 a gallon, it was said. Or course the wholesaler has to pay an annual license fee of \$100.

In the case of the retail druggist he has to pay an annual tax of \$25 to the Federal Government and \$10 to the State.

An official of the Internal Revenue Department in Brooklyn expressed amazement when told of the prices now being charged for liquor for medicinal use. "They apparently intend to get all the battle will bear," he said. "There are men who own warehouses stored in bonded warehouses who would be glad to sell these certificates at the rate of \$1.50 a gallon, and when you add the medicinal tax of \$2.20 you can see that the wholesaler can have it brought in to a dollar and about 34 a gallon."

EIGHT LIVES LOST IN STORM AS NORTHERN PACIFIC TRIES TO SAVE 271 ON POWHATAN

Wireless to Bardic Tells of Disaster in Attempting to Remove Passengers.

CANADIANS TOW LINER.

Lady Laurier Is Taking Disabled American Army Transport Into Halifax.

HALIFAX, N. S., Jan. 22.—Eight lives were lost when a boat from the American transport Northern Pacific overturned yesterday in an attempt to transfer the 271 passengers from the disabled transport Powhatan, according to officers of the steamship Bardic, which arrived in Halifax to-day.

The Bardic's officers said this statement was based on a wireless message received while on the way to Halifax. Officials of the Navy Department here had no record of this message.

Three boats were sent from the Northern Pacific toward the Powhatan, but were recalled because the seas were too heavy to transfer passengers. One of the boats failed to return and a United States destroyer sent word that it had been upset, according to the Bardic's officers.

The Bardic was forced to give up her efforts to tow the Powhatan when a broken steel hawser fouled in one of her propellers, compelling her to make port with one engine running.

A wireless message from Capt. Randall of the Powhatan, timed 10 A. M. to-day, said he had started for Halifax in tow of the Canadian Government steamer Lady Laurier at 8 A. M. He announced that there was no change in the condition of the ship and that a transfer of passengers would not be attempted "unless everything is absolutely favorable."

Wireless reports from vessels standing by the disabled transport indicated she had sunk to the level of the water which had leaked into her compartments. The bulkheads have been shared up, it was reported, and are withstanding the strain, but if they should collapse the ship might go down. She is being towed at three knots.

The above dispatch was confirmed in part to-day by Col. J. P. Lawrence, zone and transport officer in New York, who received a wireless from the destroyer Leary telling of an unsuccessful attempt yesterday to send two lifeboats from the Northern Pacific and take off the Powhatan's passengers.

One of the lifeboats got safely away but was almost immediately capsized, the Leary said, while the other was smashed against the side of the Northern Pacific when it was half-way lowered and its crew thrown into the ocean. Both crews, this dispatch said, were rescued by the Leary.

A rising barometer, a falling wind and a subsiding wave was the good news received this morning from the steamer Powhatan, in distress 200 miles off Halifax with 271 passengers aboard, including eleven women and eight children.

The following wireless sent at 5:30 P. M. to-day:

(Continued on Second Page.)

VIOLA FLATTO, FIRE HEROINE, WHO SAVED LIVES



HEROINE OF SEVEN SAVES MANY LIVES AT FIRE IN HOME

Viola Flatto Wakens Guests and Others and All Escape by Roof.

Irving Flatto, owner and occupant of the five-story brown-stone residence at No. 25 West 73rd Street, was awakened by smoke at 3 o'clock this morning. Quick investigation disclosed that the laundry adjoining the kitchen was on fire.

He aroused his wife, Jennie, and his daughter, Viola, aged seven years, and told them to look after the baby, Flatto, eleven months old. Mrs. Flatto ran to an upper floor with the baby. Viola went to the third floor and woke her aunt, Miss Florence Schuck, and F. Wilson III and his wife, guests, also asleep on that floor.

Next she ran to the fourth floor and awoke Walter Smith, another guest, the ill's maid, and Viola's brothers, William, sixteen, and George, nine.

Then she and her brothers ran to a front window and began shouting "Fire!" By that time Mr. Flatto saw the fire had cut off exit by the stairs and yelled for everybody to go to the roof.

Firemen could not get into the Flatto home and went to No. 24 next door, ascended to the roof, crossed to the burning building and forced the Seattle just as the Flatto household arrived on their way to the roof. George Flatto was partly overcome by smoke. Mr. Flatto fell exhausted on the top floor and was carried to the roof by Mr. Flatto.

WORLD RESTAURANT.
Special fire today, Thursday, Jan. 22, 1920, the World Restaurant, 411 West 42nd St., New York City, was closed for business. The fire broke out at 11:30 P. M. and was extinguished by the fire department. The cause of the fire is being investigated.

3 PER CENT. BEER, 9 PER CENT. WINE ASKED IN CONGRESS

Sabath Introduces Amendments to Volstead Act—Also Would Raise Limit on Prescriptions.

WASHINGTON, Jan. 22.—AMENDMENTS to the Volstead Prohibition enforcement law to allow the sale of beer with 3 per cent. of alcohol and wine with 9 per cent. were proposed to-day by Representative Sabath, Illinois. The present law fixes the maximum alcoholic content at one-half of 1 per cent.

Another amendment Representative Sabath proposed increases the amount of liquor physicians may prescribe from a pint every ten days to a quart every fifteen days. He also seeks to suspend all limits on the amount for ninety days because of the prevalence of influenza.

Under recent decisions of the Supreme Court Congress has the power to decide the quantity of alcohol that makes a beverage intoxicating under the Prohibition law. Therefore, with arduous the enforcement Act can be amended to legalize almost any quantity of alcohol.

Under recent decisions of the Supreme Court Congress has the power to decide the quantity of alcohol that makes a beverage intoxicating under the Prohibition law. Therefore, with arduous the enforcement Act can be amended to legalize almost any quantity of alcohol.

DEMOCRATS TO END SENATE FIGHT BY SECRET BALLOT

That seems to Be the Only Way to Settle Hitchcock-Underwood Contest.

By David Lawrence.
(Special Correspondent of The Evening World.)

WASHINGTON, Jan. 22 (Copyright, 1920).—Secret ballots may not be popular, but that's about the only way the Democratic Party in the Senate will be able to choose a leader without leaving scars of dissatisfaction among the friends of Senator Hitchcock of Nebraska and Senator Underwood of Alabama, the rival candidates.

As things stand now, the strength of each is exactly the same and only Carter Glass, the new Senator from Virginia, who takes his seat soon, and Senator Hoke Smith of Georgia, who declined to vote on the last ballot, can break the tie.

It would appear that Mr. Glass favors Senator Underwood. Should the Georgia Senator vote for Mr. Hitchcock the ballot would still be a tie. The story goes that Senator Hoke Smith gave encouragement to both Senators Hitchcock and Underwood prior to the last caucus and found himself in an embarrassing position when the voting started. The caucus had a lively debate as to whether to invite Senator-elect Glass to participate, but because the vote on the invitation was 70 to 19, and not unanimous, the Virginia Senator wisely refrained from participating in the contest.

FOLLOWERS OF EACH ARE GREATLY WROUGHT UP.

Things have progressed to the point where a secret ballot alone will give the Democrats a leader and prevent hard feelings in the future, for while Senators Hitchcock and Underwood are both too big to be personally affected by the votes of their colleagues, some of their friends have become so wrought up over the leadership contest that the Democrats will be a much more united body if the leadership selection is summary rather than a long and bitter fight.

The Republican battle for leadership was in the House. As between the Democrats and Mr. Underwood, the latter has not yet given up and is expected to fight on.

(Continued on Eleventh Page.)

SOCIALIST CONSTITUTION THE SAME FOR 20 YEARS, ALBANY HEARING SHOWS

By-Laws, Identified by Gerber as First Witness, Fail to Cause Sensation—Woman Refuses to Surrender Book When Hillquit Demands Fair Play.

By Martin Green.
(Special Staff Correspondent of The Evening World.)

ALBANY, Jan. 22.—The actual trial of the suspended Socialist Assembly emerged from the oratorical stage to-day and entered the dreary period of admission of oral and written evidence. There was little diminution of local interest, if attendance is a criterion. The body of the Assembly Chamber was filled with spectators and the gallery seats were all taken.

Ex-Senator Elton R. Brown made his first appearance as an associate counsel to the Assembly Judiciary Committee.

It was learned that four members of the Judiciary Committee have expressed their disapproval of the proceedings as they have been and are to be conducted. William S. Evans of New York City, one of the members, filed a dissenting opinion to the ruling of Chairman Martin that the committee has a right to prescribe loyalty as a test of eligibility.

After some preliminary legal skirmishing John B. Stanchfield called as the first witness Julius Gerber, Secretary of the New York City Socialist organization.

Gerber was sworn and produced a copy of the constitution of the National Socialist organization, Mr. Stanchfield read excerpts therefrom. The excerpts show that the Socialist Party is a pledge-bound, dues-paying organization, the members of which on joining sign an agreement to sever all association with other political parties, to oppose fusion or trade with other parties and to work constantly for collective ownership of the industries.

The National Constitution provides that any member of the party elected to office, who shall vote to appropriate money for military or naval purposes or war, shall be expelled.

It is further provided that voting Socialists shall vote only for Socialist candidates and that Socialists elected to legislative bodies shall form in groups and each group shall vote as a unit.

There is a provision for interpreters in foreign language books. The party principles are not materially different from those of other advanced political parties.

The State constitution and the by-laws of local organizations were also introduced. Record was made of the admitted provision in the by-laws that candidates for office shall sign resolutions in favor of becoming effective in the event of disloyalty to the Socialist Party.

The red membership cards of Assemblyman Samuel A. Dewitt and Samuel Orr showed that Assemblyman Dewitt is a steady reader of the New York Call, the Masses and the Appeal to Reason. Mr. Orr's favorite authors write for the Call and Coming Nations.

The other three suspended Assemblymen have lost their red cards but their counsel formally admitted that they had signed such cards.

Mr. Gerber identified the various documents introduced by Mr. Stanchfield.

NO CHANGE IN CONSTITUTION SINCE 1899.
Mr. Hillquit then examined Mr. Gerber, who has been a member and officer of the Socialist Party since it was organized in 1909 and was a member of the Socialist-Labor Party prior to that time. Through Mr. Gerber Mr. Hillquit placed in the record that most of the provisions of the constitution and by-laws of the Socialist Party which were discovered to be dangerous by the Lusk Committee have been in the constitution and by-laws since 1899 and most of 1892.

DIES THANKING OFFICIAL.
Had Been Exposed From Japs Service Because of Illness.
James W. Monney, a member of the Hicksville, who was exposed yesterday from coming to the Miramonte Court House because of illness to-day went to the home of Louis Monney, previous owner of the house, to die.

As he started to speak Monney raised his hands to his head and fell dead.

HOLLAND'S STAND ON KAISER
said to Oppose Extradition Unless Germany Demands It.
LONDON, Jan. 22.—The Standard reported that Holland's reply with regard to surrender of the former German Emperor says it is impossible to grant extradition at the call of a third country, if the own country does not demand extradition.

TAKE WELL AND AFTER MEAL—Jan. 22, 1920.

NEW YORK WORLD PUBLISHED BY THE NEW YORK WORLD.